



8011-01P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request,
Copies Available From:

U.S. Securities and Exchange Commission
Office of Investor Education and Advocacy
Washington, DC 20549-0213

Extension:

Rule 9b-1

OMB Control No. 3235-0480

SEC File No. 270-429

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the existing collection of information provided for in the following rule: Rule 9b-1 (17 CFR 240.9b-1) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

Rule 9b-1 (17 CFR 240.9b-1) sets forth the categories of information required to be disclosed in an options disclosure document (“ODD”) and requires the options markets to file an ODD with the Commission 60 days prior to the date it is distributed to investors. In addition, Rule 9b-1 provides that the ODD must be amended if the information in the document becomes materially inaccurate or incomplete and that amendments must be filed with the Commission 30 days prior to the distribution to customers. Finally, Rule 9b-1 requires a broker-dealer to furnish to each customer an ODD and any amendments, prior to accepting an order to purchase or sell an option on behalf of that customer.

There are 9 options markets that must comply with Rule 9b-1. These respondents work together to prepare a single ODD covering options traded on each market, as well as amendments to the ODD. These respondents file approximately 3 amendments per year. The staff calculates that the preparation and filing of amendments should take no more than eight hours per options market. Thus, the total compliance burden for options markets per year is 216 hours (9 options

markets x 8 hours per amendment x 3 amendments). The estimated cost for an in-house attorney is \$354 per hour,¹ resulting in a total cost of compliance for these respondents of \$76,464 per year (216 hours at \$354 per hour).

In addition, approximately 1,500 broker-dealers must comply with Rule 9b-1. Each of these respondents will process an average of 3 new customers for options each week and, therefore, will have to furnish approximately 156 ODDs per year. The postal mailing or electronic delivery of the ODD takes respondents no more than 30 seconds to complete for an annual compliance burden for each of these respondents of 78 minutes or 1.3 hours. Thus, the total compliance burden per year is 1,950 hours (1,500 broker-dealers x 1.3 hours). The estimated cost for a general clerk of a broker-dealer is \$50 per hour,² resulting in a total cost of compliance for these respondents of \$97,500 per year (1,950 hours at \$50 per hour).

The total compliance burden for all respondents under this rule (both options markets and broker-dealers) is 2,166 hours per year (216 + 1,950), and the total compliance cost is \$173,964 (\$76,464 + \$97,500).

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid Office of Management and Budget (OMB) control number.

¹ The \$354 per hour figure for an Attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2010, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

² The \$50 per hour figure for a General Clerk is from SIFMA's Office Salaries in the Securities Industry 2010, modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. The staff believes that the ODD would be

Background documentation for this information collection may be viewed at the following website: <http://www.reginfo.gov>. Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: Shagufta_Ahmed@omb.eop.gov; and (ii) Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, VA 22312 or send an e-mail to: PRA_Mailbox@sec.gov. Comments must be submitted within 30 days of this notice.

Kevin M. O'Neill,
Deputy Secretary

January 20, 2012

[FR Doc. 2012-1585 Filed 01/25/2012 at 8:45 am; Publication Date: 01/26/2012]

mailed or electronically delivered to customers by a general clerk of the broker-dealer or some other equivalent position.